AFFORDABLE CARE ACT
MASSACHUSETTS IMPLEMENTATION UPDATE

April 11, 2012

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

4/9/12 HHS announced a proposed rule "Administrative Simplification: Adoption of a Standard for a Unique Health Plan Identifier; Addition to the National Provider Identifier Requirements; and a Change to the Compliance Date for ICD-10-CM and ICD-10-PCS Medical Data Code Sets." The rule implements portions of §1104 of the ACA and streamlines the identification numbers that healthcare plans and providers use for billing. The proposed rule: 1) establishes a unique health plan identifier (HPID), 2) adopts a data element that will serve as an "other entity" identifier (OEID) for entities that are not health plans, health care providers, or individuals, but that need to be identified in standard transactions and 3) recommends an addition to the National Provider Identifier (NPI) requirements. According to HHS, establishing new requirements for administrative transactions will improve the utility of the existing Health Insurance Portability and Accountability Act of 1996 (HIPAA) transactions and reduce administrative burden and costs. Currently, when health plans and entities like third party administrators bill providers, they are identified using a wide range of different identifiers that do not have a standard length or format. As a result, health care providers encounter time-consuming problems, such as misrouting of transactions, rejection of transactions due to insurance identification errors, and difficulty determining patient eligibility. The rule simplifies the administrative process for providers by proposing that health plans have a unique identifier of a standard length and format to facilitate routine use in computer systems. This will allow provider offices to automate and simplify their processes, particularly when processing bills and other transactions.

The proposed rule also delays required compliance by one year, from October 1, 2013 to October 1, 2014, for new codes used to classify diseases and health problems. These codes, known as the International Classification of Diseases, 10th Edition diagnosis and procedure codes, or ICD-10, will include new procedures and diagnoses and improve the quality of

information available for quality improvement and payment purposes. Many provider groups have expressed serious concerns about their ability to meet the October 1, 2013 compliance date. HHS stated that the agency believes the change in the compliance date for ICD-10 will give providers and other covered entities more time to prepare and fully test their systems to ensure a smooth and coordinated transition among all industry segments.

Comments are due May 17, 2012.
Read the proposed rule (published on 4/17/12) at:
http://www.gpo.gov/fdsys/pkg/FR-2012-04-17/pdf/2012-8718.pdf
Read the press release at: CMS

3/30/12 DOL released a proposed rule to implement amendments to the Black Lung Benefits Act (BLBA) made by ACA §1556. The Black Lung Benefits Act provides benefits, in cooperation with the states, to coal miners who are totally disabled due to pneumoconiosis (black lung disease) and to the surviving dependents of miners whose death was due to such disease; and to ensure that in the future adequate benefits are provided to coal miners and their dependents in the event of their death or total disability due to pneumoconiosis. The amendments reinstate two provisions regarding coal miners' and survivors' entitlement to benefits that had been previously repealed from the BLBA.

The first amendment provides a presumption of total disability or death caused by pneumoconiosis for coal miners who worked for at least 15 years in underground mining and who suffer or suffered from a totally disabling respiratory impairment. The second amendment provides automatic entitlement for eligible survivors of miners who were themselves entitled to receive benefits as the result of a lifetime claim.

The proposed rule addresses both new methods of establishing entitlement- the automatic entitlement of certain survivors and the 15-year presumption as it applies to both miners' and their survivors' claims. From 1982 until the ACA was enacted, survivors of a coal miner who was totally disabled due to pneumoconiosis had to prove that pneumoconiosis had caused the miner's death to be entitled to benefits. Since the ACA was passed several U.S. Appeals courts have upheld the ACA amendment that automatically continues benefits to a miner's eligible survivors if the miner was entitled to benefits on a claim filed prior to death and also upheld the reinstated 15-year presumption.

Comments on the proposed rule are due May 29, 2012.
Read the rule at: http://www.gpo.gov/fdsys/pkg/FR-2012-03-30/pdf/2012-7335.pdf
For more information on the BLBA visit: http://www.dol.gov/compliance/laws/comp-blba.htm#applicable_laws

Prior guidance can be viewed at www.healthcare.gov

News

4/10/12 CMS announced that under the new Medicare Shared Savings Program (Shared Savings Program), a new program authorized by §3022 of the ACA that helps to facilitate coordination among providers to improve the quality of care for Medicare beneficiaries, 27 Accountable Care Organizations (ACOs) have entered into agreements with CMS, taking responsibility for the quality of care provided to people with Medicare in return for the opportunity to share in savings realized through improved care.

ACOs are groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to the Medicare patients they serve to helps

ensure that patients, especially the chronically ill, get appropriate care, with the goal of avoiding unnecessary duplication of services and preventing medical errors. When an ACO succeeds in both delivering high-quality care and spending health care dollars more wisely, it will share in the savings it achieves for the Medicare program. Medicare offers several ACO programs, including: 1) Medicare Shared Savings Program (for fee-for-service beneficiaries), 2) Advance Payment Model (for certain eligible providers already in or interested in the Medicare Shared Savings Program) and 3) Pioneer ACO Model (Health care organizations and providers already experienced in coordinating care for patients across care settings).

According to CMS, the first 27 Shared Savings Program ACOs will serve an estimated 375,000 beneficiaries in 18 states. Included among the 27 ACOs announced are Physicians of Cape Cod ACO (Hyannis, MA) and Jordan Community ACO (Plymouth, MA). This brings the total number of organizations participating in Medicare shared savings initiatives as of April 1 to 65, including the 32 Pioneer Model ACOs that were announced last December, and six Physician Group Practice Transition Demonstration organizations that started in January 2011. In all, as of April 1, more than 1.1 million beneficiaries are receiving care from providers participating in Medicare shared savings initiatives.

The selected ACOs include more than 10,000 physicians, 10 hospitals, and 13 smaller physician-driven organizations in both urban and rural areas. Their models for coordinating care and improving quality vary in response to the needs of the beneficiaries in the areas they are serving. CMS is reviewing more than 150 applications from ACOs seeking to enter the program in July. To ensure that savings are achieved through improving and providing care that is appropriate, safe, and timely, an ACO must meet strict quality standards. For 2012, CMS has established 33 quality measures relating to care coordination and patient safety, appropriate use of preventive health services, improved care for at-risk populations, and the patient and caregiver experience of care.

CMS also announced that five ACOs are participating in the Advance Payment ACO Model as of April 1, 2012. This model will provide advance payment of expected shared savings to rural and physician-based ACOs participating in the Shared Savings Program that would benefit from additional start-up resources. These resources will help build the necessary care coordination infrastructure necessary to improve patient outcomes and reduce costs, such as new staff or information technology systems. CMS is reviewing more than 50 applications for Advance Payments that start in July 2012.

Read the press release about the first ACO announcement at: CMS
Read more about the Pioneer ACO Model at:
http://innovations.cms.gov/initiatives/ACO/Pioneer/index.html
Read more about the Advance Payment Model, including the 5 organizations announced on April 10, 2012 at:
http://innovations.cms.gov/initiatives/ACO/Advance-Payment/index.html

5/7/12- 5/8/12 HHS published a notice of a public meeting on the risk adjustment program under §1343 of the ACA scheduled for May 7, 2012 and May 8, 2012 in Arlington, Virginia. The purpose of the meeting is to provide information to states, issuers, and interested parties about the risk adjustment program. ACA §1343 is part of three risk-mitigation programs (along with risk corridors and reinsurance) set up under the ACA to offset market uncertainty and risk selection to maintain the viability of exchanges. These programs will mitigate the impact of potential adverse selection and stabilize premiums in the individual and small group markets as insurance reforms and the Exchanges launch in 2014. HHS published the final "Standards Related to Reinsurance, Risk Corridors and Risk Adjustment" rule in March 2012 which can be read at:
http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6594.pdf

The May 2012 meeting will include the following topics: the risk adjustment model, calculation of plan average actuarial risk, calculation of payments and charges, data collection approach, and the schedule for running risk adjustment. The meeting will provide an opportunity for HHS to hear from a variety of interested parties as the agency develops the federal risk adjustment methodology and works through operational issues. The deadline for meeting registration and the submission of written comments to HHS is April 30, 2012.To register for the meeting, including registration for a webinar option, visit the Resources page on the CCIIO website at: http://cciio.cms.gov/resources/other/index.html#fm More information about the submission of written comments can be found in the notice.

Read the meeting notice at: http://www.gpo.gov/fdsys/pkg/FR-2012-04-11/pdf/2012-8771.pdf

4/5/12 The Commonwealth Fund released an issue brief "Estimating the Impact of the Medical Loss Ratio (MLR) Rule: A State-by-State Analysis." According to the report, if the MLR rules under the ACA had been in effect in 2010, consumers nationwide would have received an estimated $2 billion in rebates from health insurers. ACA §10101, establishes the minimum dollar percentage that health insurance companies must spend of consumers' health insurance premiums on medical care, not on income, overhead or marketing. Beginning in 2011, the ACA rules require insurance companies in the individual and small group markets to spend at least 80% of collected premium dollars on medical care and quality improvement activities; insurance companies in the large group market are required to spend at least 85%. Insurance companies that do not meet the MLR standard are required to provide a notice about their MLR as well as rebates to their consumers, with the first round of rebates expected to be issued in the summer of 2012.

Almost $1 billion in rebates would have been issued to about 5.3 million people who receive coverage through the individual market, or 53% of all those with individual coverage nationwide, and another $1 billion would have gone to about 10 million people with policies in the small- and large-group markets. About one-quarter (23%) of privately insured consumers in all markets would have received rebates. Individual rebates would likely have ranged from an average of $100 to $300 per member.
One fifth of nonprofit insurers would have owed rebates. Among for-profit plans, 70% would have been required to send rebate checks. Texas insurance customers collectively would have received the most in rebates ($255 million) followed by those in Florida, who would have received $202 million. The study makes no predictions about the rebates that insurers will be required to pay this year when the MLR rules go into effect. But the study shows that many insurers have been spending more on administrative costs than what the MLR rules under the ACA allow.

Read the report at: Commonwealthfund

Upcoming Events

Money Follows the Person Stakeholder Meeting
May 18, 2012, 2:30 PM - 4:00 PM
Shrewsbury Office Amphitheatre
University of Massachusetts Medical School
333 South Street
Shrewsbury, MA 01545

At this meeting we will continue focusing on discussion topics that impact transitions such as assessing risk and developing strategies to mitigate risk. Please contact MFP@state.ma.us to

RSVP and to request reasonable accommodations. Although RSVPs are greatly appreciated, they are not required.

Insurance Market Reform Work Group Open Stakeholder Meetings
The Insurance Market Reform Work Group, co-chaired by the Health Connector and the Division of Insurance, is hosting a series of open meetings to solicit feedback on a range of topics under its purview. The meeting schedule and proposed topics are highlighted below. If any interested persons are unable to attend the meetings in person, they can participate in the session by calling the number below. We highly encourage people to attend in person as the acoustics in the Hearing Room can be difficult.
Dialing Instructions:
Dial 1-877-820-7831
Pass Code 9630386# (please make sure to press # after the number).

Subject to Be Announced
April 27, 2012
10:00 - 11:30 a.m.
1000 Washington Street, Boston
Hearing Room E, DOI Offices

Potential ACA changes including open enrollment/special enrollment, eligibility appeals, termination, uniformity of forms
May 11, 2012
10:00 - 11:30 a.m.
1000 Washington Street, Boston
Hearing Room E, DOI Offices

Other issues (TBD)
May 25, 2012
10:00 - 11:30 a.m.
1000 Washington Street, Boston
Hearing Room E, DOI Offices

Bookmark the **Massachusetts National Health Care Reform website** at: http://mass.gov/national health reform to read updates on ACA implementation in Massachusetts.

Remember to check http://mass.gov/masshealth/duals for information on the **"Integrating Medicare and Medicaid for Dual Eligible Individuals"** initiative.